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08/07/2001

Fumitake Yodo

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EXAMINER

FISCHER, ANDREW J

ART UNIT PAPER NUMBER

3627

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GROUP 3600

**BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES**

Application Number: 09/923,702
Filing Date: August 07, 2001
Appellant(s): YODO, FUMITAKE

Jay H. Maioli
For Appellant

EXAMINER'S ANSWER

This is in response to the appeal brief filed February 24, 2005 ("First Appeal Brief").

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HC

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(1) *Real Party in Interest*

1. A statement identifying the real party in interest is contained in the brief.

(2) *Related Appeals and Interferences*

2. A statement identifying the related appeals and interferences which will directly affect or be directly affected by or have a bearing on the decision in the pending appeal is contained in the brief. This statement is incorrect.

3. During a telephone conversation with Appellant's representative, Appellant's representative noted that this application is a divisional of the parent application 09/600,509 ("Parent Application") filed July 17, 2000. As of the date of this Answer, the Parent application remains pending before the Examiner.

4. Moreover, an additional divisional application (of the Parent Application) given serial no. 09/923,618 was filed on August 7, 2002. This second divisional is also on appeal to the USPTO's Board of Patent Appeals and Inferences ("Board"). Thus, 09/923,618 is a 'brother' or 'sister' application of this application. As of the date of this Answer, an appeal number has not been assigned.

(3) *Status of Claim*

5. The statement of the status of the claim contained in the brief is correct.

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(4) Status of Amendments After Final

6. The Appellant's statement of the status of amendments after final rejection contained in the brief is correct.

(5) Summary of Invention

7. The summary of invention contained in the brief is correct.

(6) Issues

8. Appellant's statement of the issues in the brief is essentially correct.

(7) Grouping of Claims

9. This section is moot because this appeal contains only a single claim: claim 9.

(8) Claims Appealed

10. The copy of the appealed claims contained in the Appendix to the brief is correct.

(9) Prior Art of Record

U.S. 5,857,020

Peterson, Jr.
("Peterson '020")

1-1999

White, Ron, How Computers Work, Millennium Ed. Que Corporation, 9/1999.

Derfler, Frank J. et. al. How Networks Work, Millennium Ed., Que Corporation, 1/2000.

Gralla, Preston, How the Internet Works, Millennium Ed., Que Corporation, 8/1999.

(10) Grounds of Rejection

11. The following ground(s) of rejection are applicable to the appealed claims:

12. Claim 9 is rejected under 35 U.S.C. §103(a) as being obvious in view of Peterson '020.

This rejection was set forth in a prior Third Final Office Action, mailed on October 12, 2005.

13. In light of Appellant's Brief and the appeal conference noted below, the Examiner has provided a new grounds of rejection. This is an alternative rejection. The rejection simply incorporates How Computers Work in the statement of the rejection. The rejection is as follows:

14. Claim 9 is rejected under 35 U.S.C. §103(a) as being obvious in view of Peterson '020 in view of How Computers Work.

(11) Acknowledgments & Other Preliminary Matters

15. An appeal conference was held on or about May 12, 2005. In addition to the Examiner of record, Supervisory Patent Examiner Robert Olszewski and Supervisory Patent Examiner Tariq Hafiz were present.

16. Unless expressly noted otherwise by the Examiner, the following two (2) citations to the Manual of Patent Examining Procedure ("MPEP") apply to this Answer: MPEP citations to Chapters 100, 200, 500, 600, 700, 1000, 1100, 1300, 1400, 1500, 1700, 1800, 2000, 2100, 2200, 2500, 2600, and 2700 are from the MPEP 8th Edition, Rev. 2, May 2004. All remaining MPEP citations are from MPEP 8th Edition, August 2001.

17. All references in this Answer to the capitalized versions of "Appellant" or "Applicant" refers specifically the Appellant in this appeal. References to lower case versions of

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“appellant(s)” or “applicant(s)” refers to any or all patent appellant(s) or applicant(s) in general.

Unless expressly noted otherwise, references to “Examiner” in this Answer refers to the Examiner of record while references to the lower case version of “examiner” refers to examiner(s) generally.

18. Paragraph numbering in this Answer is also provided for reference purposes only.

19. Table 1 in the appendix lists claim 9 and compares it Peterson ‘020. Thus Table 1 is a summary showing how Peterson ‘020 anticipates claim 9. Phrase numbers are for references purposes.

20. Table 2 in Appendix II shows a chronological summary of selected Office Actions, Request for Continued Examination(s) (“RCE”), Appeal Briefs, and/or other papers involved in this appeal.

(13) *New Issues in This Appeal*

21. The Examiner recognizes that the Board has the power to examine or reexamine patent claims and raise issues sua sponte.

The members of the Board of Appeals are denominated ‘examiners-in-chief’ in both 35 U.S.C. 3 (‘Officers and employees’) and 35 U.S.C. [6]. The title chosen by the Congress implies that the members of the board have authority to *examine or reexamine* appealed claims. [Emphasis in original]. *In re Loehr*, 500 F.2d 1390, 1392-93, 183 USPQ 56, 58 (CCPA 1974).

22. However it also well known that arguments which Appellants could have made but chose not to make in their brief should not be considered by the Board. See 37 C.F.R. §1.192(a) (“Any arguments or authorities not included in the brief will be refused consideration by the Board of Patent Appeals and Interferences, unless good cause is shown.”).

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23. The Examiner also notes that the Board is titled the "Board of Patent Appeals"¹ and not the 'Board of Initial Examination.' By restricting the Board to only *appeals*, the Board's valuable time is not be wasted. Furthermore, while the Examiner recognizes that due process is an important consideration of the USPTO, Appellant is not pro se and are represented by presumptively competent counsel who could have raised any issue deemed meritorious to their case prior to this appeal.

24. In light of the above and because the Examiner is not aware of the "good cause" as required by 37 C.F.R. §1.192(a), the Examiner respectfully requests the Board to refrain from addressing issues sua sponte. While the Board clearly has the authority to raise such issues, a decision by Appellant or the Examiner on whether or not to raise a particular issue is formed only after careful consideration of the extensive administrative record. Other issues may have been contemplated and investigated by Appellants or the Examiner yet not found in the written record because such arguments were considered unresponsive, weak, or tangential to the issues presented herein.

25. Nevertheless, because the Board frequently addresses issues sua sponte, an examiner's only recourse is to anticipate such issues in his or her answer. In this case, the Examiner has tried to address issues that have been raised by the Board. While this increases the size of the Answer, it is believed to be the only way the Examiner can provide arguments on those issues.

26. MPEP §1208 expressly states, "An examiner's answer should not refer, either directly or indirectly, to more than one prior Office action." Because of this MPEP provision, the Examiner

¹ The formal name as stated in 35 U.S.C. §6(a) is the "Board of Patent Appeals and Inferences."

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as incorporated into this Answer various sections and/or paragraphs from previous office actions and Appellant responses. While this unfortunately increases the size of this Answer, it nevertheless complies with MPEP §1208.

(14) Summary of the Prior Art

27. Appellant is reminded that what a reference teaches is a question of fact. “What a reference teaches and whether it teaches toward or away from the claimed invention are questions of fact.” *Winner Int’l Royalty Corp. v. Wang*, 202 F.3d 1340, 53 USPQ2d 1580, 1587 (Fed. Cir. 2000) citing *In re Bell*, 991 F.3d 781, 784, 26 USPQ2d 1529, 1531 (Fed. Cir. 1993). In fact, during ex parte examination, examiners and examiners-in-chief are required to make these factual determinations.²

28. The following is a basic discussion of Peterson ‘020. While all documents of record are not addressed, Peterson ‘020 is believed to be of significant importance and provides both direct and indirect support for the factual and legal conclusion made by either the Examiner or the Board.

² See *In re Berg*, 320 F.3d 1310, 1315, 65 USPQ2d 2003, 2007 (Fed. Cir. 2003)(“As persons of scientific competence in the fields in which they work, examiners and administrative patent judges on the Board are responsible for making findings, informed by their scientific knowledge, as to the meaning of prior art references to persons of ordinary skill in the art”); *Waldemar Link GmbH & Co. v. Osteonics Corp.*, 32 F.3d 556, 558, 559, 31 USPQ2d 1855, 1857 (Fed. Cir. 1994) (“During the prosecution of the parent application, the patent Examiner acts as a fact finder.”).

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Peterson (U.S. 5,857,020)

29. Peterson '020 relates generally to distribution of secured prerecorded content and, in particular, to a method and an apparatus for enabling access.³ Peterson '020 directly discloses but a hand held unit (86, 98, & 70 attached together) and an remote authorization center 16.⁴ A user downloads songs in a secured format, pays money to unlock the songs, and the handheld unit makes the songs available for a limited period of time. The invention is not limited to songs since the invention also relates to service methodology based on distribution of secured content, such as, movies, music, games, information and the like.⁵ Moreover, Peterson '020 recognizes that automated authorization centers from which the decryption keys may be downloaded to the computer are old and well known.⁶

(15) The Examiner's Prima Facie Case

30. Claim 9 is rejected under 35 U.S.C. §103(a) as being obvious in view of Peterson '020. Peterson '020 discloses as shown in Table 1. Peterson '020 does not directly disclose that when the distributed information is stored in the second memory, . . . the first controller updates the accounting points stored in the first memory based on the distributed information.

31. However, it would have been obvious to a person having ordinary skill in the art at the time the invention was made to modify Peterson '020 to have processor 32 deduct a fee simply attaching storage medium 10 to processor 32 in an effort to access the non secured data 22. This

³ Peterson '020, C1, L5-10.

⁴ Peterson '020, Figures 3 and 1.

⁵ Peterson '020, C3, L54-58.

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one time connection fee would have allowed the distributor to receive additional income (on a one time only basis) from the non secured data 22.

32. While the Examiner admits that Peterson '020 discloses that storage medium 10 may be distributed in bulk implying this distribution is free, Peterson '020 states that this “may” occur. Additionally, it is important to note that nothing in Peterson '020 *forbids* charging a customer a one time fee simply for connecting to storage medium 10.

33. Finally, Appellant’s own specification states that’s:

What information is the actual chargeable information provided by the distributor/accounting center 1 is determined by the institution, company or individual person who provides information sales service. It is not a technical element constituting this invention and therefore will not be described in further detail. Appellant’s original specification, pp 7-8.

34. Because Appellant describes that feature as “not a technical element constituting this invention” it should not be the basis for establishing patentability.

(X) Basic Knowledge or Common Sense

35. It is well recognized that certain features, structures, and methods are common sense to one of ordinary skill in the art. However, the Court of Appeals for the Federal Circuit (“Federal Circuit”) reminded the USPTO in *In re Lee*, 277 F.3d 1338, 61 USPQ2d 1430 (Fed. Cir. 2002) that ‘basic knowledge’ or ‘common sense’ can not be simply proclaimed since the Administrative Procedures Act (“APA”) requires federal agencies like the USPTO to provide documentary evidence to supports its factual findings:

⁶ Peterson '020, C1, L27-29.

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Deferential judicial review under the Administrative Procedure Act does not relieve the agency of its obligation to develop an evidentiary basis for its findings. To the contrary, the Administrative Procedure Act reinforces this obligation.

Reasoned findings are critical to the performance of agency functions and judicial reliance on agency competence. . . . The “common knowledge and common sense” on which the Board relied in rejecting Lee's application are not the specialized knowledge and expertise contemplated by the Administrative Procedure Act. Conclusory statements such as those here provided do not fulfill the agency's obligation. This court explained in [In re] Zurko, 258 F.3d at 1385, 59 USPQ2d at 1697, that “deficiencies of the cited references cannot be remedied by the Board's general conclusions about what is ‘basic knowledge’ or ‘common sense.’” The Board's findings must extend to all material facts and must be documented on the record, lest the “haze of so-called expertise” acquire insulation from accountability. “Common knowledge and common sense,” even if assumed to derive from the agency's expertise, do not substitute for authority when the law requires authority.

Thus when they [examiners and the Board] rely on what they assert to be general knowledge to negate patentability, that knowledge must be articulated and placed on the record. [Citations omitted.] *In re Lee*, 277 F.3d at 1344, 61 USPQ2d at 1434-35.

36. In light of *Lee*, the USPTO is required to provide documentary evidence when asserting ‘common knowledge’ or ‘common sense.’ Therefore deficiencies of the cited references may be remedied by conclusions about what is ‘general knowledge,’ ‘basic knowledge,’ or ‘common sense’ as long as the USPTO provides documentary evidence to support its findings. As reasoned in *Lee*, by providing this documentary evidence, “the grounds upon which the administrative agency acted are clearly disclosed” and are therefore “documented on the record.” *Id.*

37. In view of these requirements, the Examiner has provided three (3) references:

How Computers Work Millennium Ed. by Ron White; How Networks Work, Millennium

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Ed. by Frank J. Derfler et. al.; and How the Internet Works, Millennium Ed. by Preston Gralla to meet the requirements as set forth in *Lee*.

38. To help support the Examiner's conclusion that these three (3) references are evidence of what is basic knowledge or common sense and that one of ordinary skill in this art must—at the very least—be aware of the knowledge and information contained within these three references, Appellant was given reasons as to *why* these reference should be considered 'common knowledge' or 'common sense' to one of ordinary skill in this art. In fact, in the Second Final Office Action, Appellants were given actual notice of this reasoning in addition to actual notice of the Examiner's factual findings⁷ and authorities of what constitutes 'basic knowledge' or 'common sense':

In accordance with *In re Lee*, 277 F.3d 1338, 1344, 61 USPQ2d 1430, 1434-35 (Fed. Cir. 2002), the Examiner finds that the references How Computers Work Millennium Ed. by Ron White; How Networks Work, Millennium Ed. by Frank J. Derfler et. al.; and How the Internet Works, Millennium Ed. by Preston Gralla are additional evidence of what is basic knowledge or common sense to one of ordinary skill in this art. Each reference is cited in its entirety. Moreover, because these three references are directed towards beginners (see e.g. "User Level Beginning . . ."), because of the references' basic content (which is self-evident upon review of the references), and after further review of both the intrinsic evidence of record and the entire art now of record in conjunction with the factors as discussed in MPEP §2141.03, the Examiner finds that these three references are primarily directed towards those of low skill in this art. Because these three references are directed towards those of low skill in this art, the Examiner finds that one of ordinary skill in this art must—at the very least—be

⁷ Patent examiners—like administrative patent judges—are responsible for making findings of fact; thus patent examiners and patent judges are charged with determining what a reference teaches and the meaning(s) of the prior art references. See e.g. *In re Berg*, 320 F.3d 1310, 1315, 65 USPQ2d 2003, 2007 (Fed. Cir. 2003) ("As persons of scientific competence in the fields in which they work, examiners and administrative patent judges on the Board are responsible for making findings, informed by their scientific knowledge, as to the meaning of prior art references to persons of ordinary skill in the art . . .").

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aware of the knowledge and information contained within these three references.
[Second Final Office Action mailed October 15, 2003, Paragraph No. 20.]

39. Additionally, in the conclusion section of the same Second Final Office Action in which this actual notice was given (in addition to the conclusion sections of all office actions on the merits⁸ for that matter), Appellant was also reminded that should he disagree with any of the Examiner's conclusions of law and findings of fact, 37 C.F.R. §1.111(b) requires him to point out those errors in his next response:

Furthermore, the Examiner has again provided Applicants with notice—for due process purposes—of his position regarding his factual determinations and legal conclusions. The Examiner notes and thanks Applicant for his "Remarks" (Paper No. 14 beginning on page 4) traversing the Examiner's positions on various points. If Applicant disagrees with any additional factual determination or legal conclusion made by the Examiner in this Office Action whether expressly stated or implied,⁹ the Examiner respectfully reminds Applicant to properly traverse the Examiner's position(s) in accordance with 37 C.F.R. §1.111(b) in his next properly filed response.

40. It is the Examiner's position that 37 C.F.R. §1.111(b) requires applicants For guidance on how the USPTO interprets 37 C.F.R. §1.111(b) see *e.g.*: MPEP §818.03(a) quoting 37 C.F.R. §1.111(b) and noting that applicant is required to point out the supposed errors in the next response by stating *why* the Examiner's position regarding restriction is *substantively* incorrect in order to preserve his or her right to petition; MPEP §2144.03, 8th Ed., August 2001 regarding

⁸ An office action 'on the merits' is a communication by the USPTO in which the patent application is reviewed by a patent examiner for compliance with the substantive requirements for patentability including but not limited to those requirements set forth in 35 U.S.C. §§ 101, 102, 103, and 112. See *e.g. In re Harnisch*, 631 F.2d 716, 721, 206 USPQ 300, 304 (CCPA 1980)("In the PTO, patent applications are examined for compliance with the statutory provisions of Title 35, United States Code, as set forth in sections 100, 101, 102, 103, and 112. These are considered to be examinations 'on the merits.'").

⁹ *E.g.*, if the Examiner rejected a claim under §103 with two references, although not directly stated, it is the Examiner's implied position that the references are analogous art.

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Official Notice noting that traversal must be made in applicant's *next response*. "A reasonable challenge constitutes a demand for evidence made as soon as practicable during prosecution. Thus, applicant is charged with rebutting the well know statement *in the next reply* after the Office action in which the well known statement is made. [Emphasis added.]" Failure to seasonable challenge the official noticed statement means the statement is interpreted as admitted prior art; and *In re Goodman*, 3 USPQ2d 1866, 1871 (ComrPats 1987) noting the examiners have no authority to waive 37 C.F.R. §1.111(b) and that applicant is required to point out *any* supposed errors in his next response.

41. Finally, after having properly established what is considered basic knowledge or common sense, the Examiner notes that this knowledge and information (i.e. the knowledge and information contained within these three (3) references) in conjunction with Peterson '020 may be used to establish anticipation or obviousness because the Examiner has established (and Appellant has failed to rebut) that such knowledge and information is well within the knowledge of one of ordinary skill in this art. As noted from *In re Graves*, anticipation (or obviousness for that matter) may also be established based upon a *combination* of a prior art reference and the knowledge of one of ordinary skill in the art. "A reference anticipates a claim if it discloses the claimed invention 'such that a skilled artisan could take its teachings in *combination with his own knowledge of the particular art and be in possession of the invention*. [Emphasis in original.]" *In re Graves*, 69 F.3d 1147, 1152, 36 USPQ2d 1697, 1701 (Fed. Cir. 1995) citing *In re LeGrice*, 301 F.2d 929, 936, 133 USPQ 365, 372 (CCPA 1962).¹⁰

¹⁰ See also *In re Donohue*, 766 F.2d 531, 533, 226 USPQ 619, 621 (Fed. Cir. 1985).

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42. Thus, obviousness in this case can be established by a combination of a reference (*i.e.* Peterson '020) in combinations with knowledge of one of ordinary skill in the art.

43. The Examiner is aware that the Board does frequently does not consider references that are not in the statement of the rejection. To support their position the Board frequently notes the following:

Where a reference is relied on to support a rejection, whether or not in a 'minor capacity,' there would appear to be no excuse for not positively including the reference in the statement of the rejection. In re Hoch, 428 F.2d 1341, 1342 n.3, 166 USPQ 406, 407 n.3 (CCPA 1970). See also Ex parte Raske, 28 USPQ2d 1304, 1305 (Bd. Pat. App. & Int. 1993).

44. The Examiner respectfully disagrees with the Board's position. There does appear to be "an excuse" or reason for not including the reference in the statement of the rejection.

45. First, patent documents are written for those with ordinary skill in the art and need not include what is old and well known. "The law is clear that patent documents need not include subject matter that is known in the field of the invention and is in the prior art, for patents are written for persons experienced in the field of the invention. ... To hold otherwise would require every patent document to include a technical treatise for the unskilled reader." *S3 Inc. v. nVIDIA Corp.*, 259 F.3d 1364, 1371, 59 USPQ2d 1745, 1749-50 (Fed. Cir. 2001) citing *Vivid Technologies, Inc. v. American Science and Engineering, Inc.*, 200 F.3d 795, 804, 53 USPQ2d 1289, 1295 (Fed. Cir. 1999) ("patents are written by and for skilled artisans").

That does not mean the claimed features are not present. To the contrary, features may not even be recognized by those with ordinary skill in the art yet the claim still may be anticipated. "In sum, [the Federal Circuit's] precedent does not require a skilled artisan to recognize the inherent characteristic in the prior art that anticipates the claimed invention."

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Schering Corp. v. Geneva Pharmaceuticals, Inc., 339 F.3d 1373, 1378, 67 USPQ2d 1664, 1668 (Fed. Cir. 2003). The fact the reference is therefore silent, can not alone negate anticipation. For this reason alone, *In re Hoch* is not persuasive.

46. Second, even if *In re Hoch* is still binding precedent, the guidance provided by *In re Lee* must be considered. As noted above, *In re Lee* alone provides the necessary “excuse” for not citing the reference in the statement of the rejection: an acceptable purpose for not citing the reference in the statement of rejection is to show what is considered basic knowledge and common sense. In fact, *In re Lee* has the benefit of *Dickinson v. Zurko*, 527 U.S. 150, 50 USPQ2d 1930 (1999) which clarified that administrative agencies must have a factual basis to support these conclusions. For this reason alone, *In re Hoch* is not persuasive.

47. Finally, the purpose of putting a reference into the statement of the rejection is to provide due process in the form of notice. In this case, Appellant was given actual notice that the Examiner found that the references were primarily directed towards those of low skill in this art. Additionally, Appellant was given actual notice that because the references were directed towards those of low skill in this art, one of ordinary skill in this art must—at the very least—be aware of the knowledge and information contained within these three references. If Appellant disagreed with any of these factual conclusions, Appellant had every opportunity to contest these findings and to defend against the noticed liability.¹¹ In this particular case, Appellant elected not to challenge these statements.

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(X) Response to Argument

48. Appellant argues that “Peterson ‘020 fails to show or suggest a detachable portable device having a storage medium, and a terminal device having including a detector for detecting whether the portable device is connected to the terminal device, wherein the when a connection I detected, distributed information is made available after carrying out a point processing in the terminal device.”¹²

49. First, Appellant has not claimed “a detachable portable device having a storage medium.” Nothing in the claim requires that the portable device be “detachable.” So even if the Examiner admits that Appellant’s arguments are true, they are ultimately not persuasive. For this reason alone, Appellant’s arguments are not persuasive.

50. Second, Peterson ‘020 however directly discloses a terminal device 14 with a portable device 12 having a storage medium 10; the terminal device 14 includes a detector (software and hardware in the electrical connection between 12 and 14 as shown in Figure 1) for detecting whether or not the portable device 12 is connected to the terminal device 14; and when the connection is detected, the claimed information is available.

51. The Examiner also notes that when a connection is not detected, one of ordinary skill in the art recognizes that no information will be transmitted. Moreover, Peterson ‘020 directly discloses storage medium 10 as being a DVD or CD-Rom. Peterson also directly discloses that the connection between terminal device 14 and portable device 12 is a two way connection. In

¹¹ See *e.g. Ohio Cellular Products Corp. v. Nelson*, 50 USPQ2d 1481, 1488 (Fed. Cir. 1999) (“The fundamentals of due process are notice and the opportunity to defend against the noticed liability.”).

¹² Appellant’s Brief, Page 6, last ¶.

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other words, information is passed from 12 to 14 and from 14 to 12. It is the Examiner's position that it is impossible to transfer this data without the software detecting the connection.

A practical example will help illustrate this point.

52. As noted above, Peterson '020 directly discloses medium reader 12 as a DVD or CD-ROM reading device. If a user of Peterson '020 was sending data back to medium reader 12 to have the data output to output device 20, the terminal device 14 would clearly detect the connection. If a reviewing body still doesn't find this persuasive, the Examiner respectfully suggests try sending information (such as DVD information as disclosed in Peterson '020) to the medium reader such as in a DVD recorder. In the middle of the operation, pull the plug or break the connection. Clearly device 14 detects that the connection is no longer there.

53. Another example may also help illustrate this point. Suppose the system was simply reading the DVD information from reader 12. Again, in the middle of the reading operation, physically break the electrical connection between the DVD reader 12 and terminal device 14. After literally breaking the connection, if the terminal device continues to read the data (*i.e.* it does *not* detect that the connection has changed and in this case has ended), the Examiner respectfully requests that the Board make this finding on the record. Upon such a finding, the Examiner will promptly issue this application.

54. Finally, as an alternative argument, the Examiner refers to White's How Computers Work (page 216 which directly shows a CD-ROM connected via serial connection to the computer). See pages 212-213 for a demonstration of how serial connection works including "data ready," and "request," and other handshaking signals.

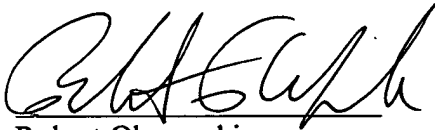
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(X1) Conclusion

55. The examiner requests the opportunity to present arguments at the oral hearing.

56. For the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,



Robert Olszewski,
Supervisory Patent Examiner
Art Unit 3627



Andrew J. Fischer
Primary Examiner
Art Unit 3627

AJF
May 16, 2005

Conferees:

Robert Olszewski, 
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Tariq Hafiz,
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APPENDIX I:

TABLE 1: How Claim 9 is Obvious in view of Peterson '020

Phrase No	Claim 9	Peterson, Jr. (U.S. 5,857,020)
1	An accounting system including an accounting center and a terminal device communicating with the accounting center.	An accounting system (Figure 3) including an accounting center 16 and a terminal device (14 in Figure 1) communicating with the accounting center 16. See also C 9, L 32-36 & C 10, L 9-14.
2	A first memory configured to store accounting points, the first memory being built-in in the terminal device.	Storing "an amount of funds 91 prepaid by the consumer" C 9, L 44-48. See also 91 in Figure 3.
3	A second memory configured to store distributed information distributed from an external source.	Storing the secured content within 79 , C 9, L 36-41. This content is distributed from an external source 16 in Figure 1.
4	A first controller configured to update the accounting points stored in the first memory and to update attributes of the distributed information when the distributed information is stored in the second memory.	Processor 32 is configured to update the accounting points stored in the first memory and to update attributes of the distributed information when the distributed information is stored in the second memory. The attribute is originally set to unavailable since the list is initially blank. Updating (<i>i.e.</i> decrementing) the amount of prepaid funds and updating the attribute of the secured content from unavailable to available upon via the unlocking process, C 9, L 54 – C 10, L 3. The "prepaid funds 91 is decremented by the appropriate amount." C 9, L 63-66.

5	A second controller configured to transmit a request for purchasing the account points to the accounting center and to update the account points stored in the first memory based on an account processing corresponding to the accounting points executed at the accounting center.	Modem 40 (in Figure 1) being a second controller is configured to transmit a request for purchasing the account points to the accounting center. Modem 40 is also 'configured to' update the account points stored in the first memory based on an account processing corresponding to the accounting points executed at the accounting center. 'But for' modem 40, the accounting points stored in the first memory could not be updated. Transmitting the amount of prepaid funds 91 from the terminal device to the authorization center 16. Inherent in the automatic online process. C 9, L 48-53.
6	A detector configured to detect whether a portable device with a storage medium is connected to the terminal device.	A detector (software within 14) which is configured to detect whether a medium reader 12 (with storage medium 10) is connected to controller 32 via the arrows shown in Figure 1. See e.g., in any serial or parallel connection.
7	When the distributed information is stored in the second memory: the first controller updates the attributes of the distributed information to an unavailable state, and the first controller updates the accounting points stored in the first memory based on the distributed information;	When the secured data content is initially available for purchase: The first controller 32 places the attributes in an unavailable state initially since the user must have sufficient funds to unlock the content, and [Not Directly Disclosed]
8	When the accounting points are not updated correctly: the second controller transmits the request for purchasing the accounting points to the accounting center, and the second controller updates the accounting points; and	When the accounting points are not updated correctly for whatever reason (e.g. insufficient funds when attempting to unlock the content), Modem 40 established the connection via 18 and transmits the request for purchasing additional funds or accounting points to the accounting center 16, and Modem 40 updates the accounting points (additional funds are purchases) since 'but for' modem 40, the accounting points would not be updated in the terminal device;

	<p>the first controller updates the attributes of the distributed information from the unavailable state to an available state</p>	<p>Processor 32 subsequently updates the attributes (after the purchase) of the distributed information from the unavailable state to an available state to make the content available.</p>
8	<p>When the detector detects that the portable device is connected to the terminal device,</p> <p>the first controller updates attributes of information stored in the storage medium of the portable device from an unavailable state to an available state after the accounting points are updated correctly</p>	<p>When the software detects the connection between 12 and 32 in figure 1;</p> <p>Processor 32 updates the updates attributes of secured information stored in the storage medium 10 from an unavailable state to an available state after the user has purchased additional funds in the accounting center 16;</p> <p>this value is returned to the terminal device and is designated prepaid funds 91. This new value of funds is an initial value.</p>
9	<p>The accounting center comprising a third controller</p> <p>configured to carry out an other account processing</p> <p>based on the request for purchasing the accounting points</p> <p>transmitted from the terminal device by the second controller.</p>	<p>The accounting center 16 comprising a third controller (the CPU within computer 64 as shown in Figure 1)</p> <p>Configured to carry out an other account processing (e.g. tracking of available funds, providing monthly billing statements, accepting payments, balance sheet functions including tax functions, etc.)</p> <p>Which is based at least in part on the request for purchasing additional accounting points</p> <p>Whereby the request is transmitted from the terminal device 14 by modem 40.</p>

Table 1: Claim 9 as It is Obvious in view of Peterson '020

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APPENDIX II:**Papers in this Application**

The following table represents a chronological summary of selected dates, Office Actions, RCEs, Appeal Briefs, or other papers involved in this appeal. The names below are used in the Answer.

Action Name or Appellant's Response Used in this Answer	Official Date Used In this Appeal: Office Action or Appellants' Paper
Effective U.S. Filing Date of Parent	July 17, 2000
First Non Final Office Action	April 23, 2002
First Final Office Action	September 20, 2002
First Advisory Office Action	January 13, 2003
1st RCE	February 10, 2003
Second Non Final Office Action	May 6, 2003
Second Final Office Action	October 15, 2003
2nd RCE	February 23, 2004
Third Non Final Office Action	May 20, 2004
Third Final Office Action	October 12, 2004
Second Advisory Office Action	December 6, 2004
First Appeal Brief	February 24, 2005